



General Assembly

February Session, 2008

Raised Bill No. 523

LCO No. 2374

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Referred to Committee on General Law

Introduced by:
(GL)

AN ACT CONCERNING HEATING OIL AND PROPANE GAS CHARGES.

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. Section 16a-21 of the general statutes is repealed and the
2 following is substituted in lieu thereof (*Effective October 1, 2008*):

3 (a) No person, firm or corporation shall sell at retail fuel oil or
4 propane gas to be used for residential heating without a written
5 contract that contains all the terms and conditions for delivery of such
6 retail fuel oil or propane gas and the amount of fees, charges or
7 penalties, including tank removal and inspection fees, minimum usage
8 fees, liquidated damages and hazardous materials fees assessed to the
9 consumer under such contract and without placing the unit price,
10 clearly indicated as such, the total number of units sold and the
11 amount of any delivery surcharge in a conspicuous place on the
12 delivery ticket given to the purchaser or an agent of the purchaser at
13 the time of delivery. No person, firm or corporation may bill or
14 otherwise attempt to collect from any purchaser of retail fuel oil or
15 propane gas an amount which exceeds the unit price multiplied by the
16 total number of units stated on the delivery ticket, plus the amount of

17 any delivery surcharge stated on the ticket. For the purpose of this
18 section, unit price means the price per gallon computed to the nearest
19 tenth of a whole cent. Any written contract required by this section
20 shall be in plain language pursuant to section 42-152 and any fee,
21 charge or penalty disclosed in such contract shall be in twelve-point,
22 boldface type of uniform font. The requirement that contracts be in
23 writing as set forth in this section may be satisfied pursuant to the
24 provisions of (1) the Connecticut Uniform Electronic Transactions Act,
25 sections 1-266 to 1-286, inclusive, (2) sections 42a-7-101 to 42a-7-106,
26 inclusive, and (3) the Electronic Signatures in Global and National
27 Commerce Act, 15 USC 7001 et seq. Except as provided in subsection
28 (e) of this section, verbal telephonic communications shall not satisfy
29 the writing requirement of this section. The requirement that contracts
30 be in writing as set forth in this section shall not apply to any retail fuel
31 oil or propane gas contract where no fee, charge or penalty is assessed,
32 except for the unit price of the retail fuel oil or propane gas delivered
33 to a consumer and any surcharge authorized under section 16a-22b, as
34 amended by this act. No contract for the delivery of retail fuel oil or
35 propane gas under this section shall include a provision for liquidated
36 damages for a consumer breach of such contract where the liquidated
37 damages exceeds the actual damages to the retail fuel oil or propane
38 gas retailer caused by such breach.

39 (b) Any person, firm or corporation who violates subsection (a) of
40 this section shall be fined not more than one hundred dollars for the
41 first offense nor more than five hundred dollars for each subsequent
42 offense.

43 (c) The provisions of this section shall not apply to existing
44 customers of a person, firm or corporation selling retail fuel oil or
45 propane gas on October 1, 2008, who have valid written contracts on
46 said date.

47 (d) The provisions of this section shall not apply to existing
48 customers of a person, firm or corporation selling retail fuel oil or

49 propane gas on October 1, 2008, who do not have valid written
50 contracts on said date if such existing customers receive a written
51 contract prior to October 1, 2008, containing all the terms and
52 conditions for delivery of such retail fuel oil or propane gas and the
53 amount of fees, charges or penalties, including tank removal and
54 inspection fees, minimum usage fees, liquidated damages and
55 hazardous materials fees assessed to the consumer under such
56 contract, provided: (1) The fees in such contract shall not be greater
57 than the fees charged to such existing customer on October 1, 2008; (2)
58 the existing customer may reject such contract by notifying the fuel oil
59 or propane gas company within sixty days of receipt of such written
60 contract without any penalty, including, but not limited to, a tank
61 removal fee; and (3) such written contract shall be effective if the
62 existing customer does not reject such contract within sixty days of
63 receipt of such contract.

64 (e) The requirement that contracts be in writing pursuant to this
65 section and section 16a-23n may be satisfied telephonically by a
66 person, firm or corporation selling at retail fuel oil or propane gas, only
67 if: (1) Such telephonic communications are preceded by the consumer
68 having received all terms and conditions of the contract in writing,
69 except for the contract duration, the unit price and the maximum
70 number of units covered by the contract, if any, in advance of such
71 telephonic communications between said consumer and the person,
72 firm or corporation selling at retail fuel oil or propane gas, (2) the
73 person, firm or corporation selling at retail fuel oil or propane gas
74 employs an interactive voice response system or similar technology
75 which provides the consumer with the contract duration, the unit price
76 and the maximum number of units covered by the contract, if any, to
77 complete the contract, (3) the person, firm or corporation selling at
78 retail fuel oil or propane gas retains, in a readily retrievable format, a
79 recording of the consumer agreeing to each such term and condition
80 for the period of the contract plus one year, (4) the person, firm or
81 corporation selling at retail fuel oil or propane gas sends said
82 consumer a letter confirming the agreement to such terms and

83 conditions with the written stipulation that the consumer is bound by
84 such terms and conditions unless the agreement is rescinded by said
85 consumer, in writing, within three business days of receipt of said
86 letter by said consumer, and (5) the person, firm or corporation selling
87 at retail fuel oil or propane gas retains a copy of each such letter.

88 (f) A violation of the provisions of this section constitutes an unfair
89 trade practice under subsection (a) of section 42-110b.

90 Sec. 2. Section 16a-22b of the general statutes is repealed and the
91 following is substituted in lieu thereof (*Effective July 1, 2008*):

92 (a) No retail dealer of fuel oil or propane shall assess a surcharge on
93 the price of fuel oil or propane delivered to a customer if the delivery
94 of the fuel oil or propane is in an amount in excess of one hundred
95 twenty-five gallons, except that a surcharge may be assessed if a
96 delivery is made outside the normal service area or the normal
97 business hours of the dealer or extraordinary labor costs are involved
98 in making a delivery. Any other fee, charge or penalty shall be
99 assessed in accordance with the provisions of section 16a-21, as
100 amended by this act.

101 (b) No retail dealer of fuel oil or propane shall assess a residential
102 customer a minimum delivery surcharge on any delivery initiated by
103 the seller, including any delivery under an automatic delivery
104 agreement.

105 (c) A violation of the provisions of this section constitutes an unfair
106 trade practice under subsection (a) of section 42-110b.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>October 1, 2008</i>	16a-21
Sec. 2	<i>July 1, 2008</i>	16a-22b

Statement of Purpose:

To require all heating oil and propane gas contracts to be in writing, except where there are no fees for services or a contract is provided completed over the telephone.

[Proposed deletions are enclosed in brackets. Proposed additions are indicated by underline, except that when the entire text of a bill or resolution or a section of a bill or resolution is new, it is not underlined.]